MINUTES OF SPECIAL MEETING SUGAR CITY COUNCIL MONDAY, DECEMBER 19, 2005

Presiding: Mayor Dalling

Meeting convened at 12:00 noon

Prayer: Harold Harris

Present: Mayor Dalling; Sharon L. Bell, Clerk; Council members Tim Kershaw, Brent Barrus, Walter Deitz, and Harold Harris; Sharee Palmer, Planning & Zoning Commission; and Jan Gallup.

YELLOWSTONE MEADOWS ANNEXATION: Sharee Palmer reported Planning & Zoning recommends to the City Council that the Yellowstone Meadows LLC annexation request be approved with the zone of R-1. Planning & Zoning made a motion that the pre-annexation agreement be accepted as written, with the addition of the language of the letter from City Council agreeing on sewer hookups, and that this pre-annexation agreement be finalized as the annexation agreement. P&Z requests City Council to set a public hearing approving annexation with the zone of R-1. The public hearing is to get comments from citizens and then the Council can address the annexation agreement. MOTION: It was moved by Council member Kershaw and seconded by Council member Barrus that we set the date of Wednesday, January 4, 2006, at 6:30 p.m., as the City Council public hearing date; motion carried.

MAYOR'S BUSINESS:

Ordinance Revisions (Title 8 – Design Review): Jan Gallup suggested having a public hearing on design review the same evening because we don't have any design review in place. MOTION: It was moved by Council member Barrus and seconded by Council member Harris that we have a public hearing on Wednesday, January 4, 2006, at 7:00 p.m., for the Site and Building Ordinance, specifically Title 8; motion carried.

EXECUTIVE SESSION:

12:40 p.m. It was moved by Council member Barrus and seconded by Council member Kershaw to go into executive session for the purpose of discussing potential litigation. The Mayor called for a roll call vote:

Those voting aye: Council members Kershaw, Barrus, Deitz and Harris

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

1:30 p.m. The executive session ended and the regular Council meeting reconvened.

Ball, Brown, Harris & Jeppesen Annexation - Proposal to the City of Rexburg: On assignment by the Mayor, Jan Gallup prepared and presented to the Council a Proposal to the City of Rexburg. MOTION: It was moved by Council member Barrus and seconded by Council

member Kershaw that we take to the City of Rexburg the Proposal of Sugar City which has been put together on the Ball, Brown, Harris & Jeppesen Annexation; motion carried. A copy of said Proposal to the City of Rexburg is attached hereto marked "Attachment 1." The meeting with the City of Rexburg is scheduled for Wednesday, December 21st at 5:30 p.m. The Mayor will deliver copies of the Proposal to them tomorrow.

Meeting adjourned at 1:45 p.m.

Signed:

Glenn W. Dalling, Mayor

Attested:

Sharon L. Bell, Clerk

Proposal to the City of Rexburg

DECEMBER 19, 2005

Ball, Brown, Harris, Jeppesen Annexation

CITY COUNCIL OF SUGAR CITY

SUGAR CITY



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Ball, Brown, Harris, Jeppesen Annexation

Sandra Ball, Ken Brown, Wanda Harris and Garry Jeppesen are committed to completing the annexation process with the City of Sugar City. Following the announcement by Mayor Larsen of the agreed moratorium by Rexburg and Sugar City officials to allow for negotiation, and the tabled, noticed joint public hearing of the Rexburg Planning and Zoning Commission and City Council, property owners Ball, Brown and Harris met together and reaffirmed their commitment to be annexed into Sugar City. Garry Jeppesen concurs with their decision. Property owners jointly accept the annexation agreement approved by the Sugar City Planning and Zoning Commission on December 13, 2005 and desire to keep all of their property together in Sugar City.

Sugar City Proposal

BALL, BROWN, HARRIS, JEPPESEN PROPERTY

The Ball, Brown, Harris, Jeppesen property will remain together as outlined and mapped in the proposed annexation agreement approved by the Sugar City Planning and Zoning Commission on December 13, 2005.

SEWER LINE AND CAPACITY

Rexburg will permit Sugar City to connect to the Rexburg interceptor line along 2nd East. Extension of that line to the Brown and Harris property will be fairly negotiated since Rexburg will also benefit from the infrastructure improvements.

Negotiations in the future between Sugar City and Rexburg for the purchase of sewer capacity at the Rexburg Wastewater Treatment Facility will be based on a fair and equitable fee structure and actual capacity available, and not political advantages.

BOUNDARIES

Rexburg will allow the properties in question to be annexed into Sugar City. The City of Sugar City agrees to not extend nor seek any future extension of city boundaries south of the Moody Highway in the area west of North Yellowstone Highway nor west of the Salem Highway in the area south of Highway 20.

DESIGN STANDARDS

If at the time of development, Sugar City officials have not accepted the design review ordinance approved by the planning and zoning commission, the design review board of the City of Rexburg will be allowed to review site and building plans and make recommendations to the Sugar City Planning and Zoning Commission.

TRAFFIC PATTERNS

Sugar City will preserve the integrity and operational function of 2nd East (Salem Highway) and Moody Highway as arterial streets. Access from these roads will be limited to dedicated streets (no private approaches) at locations mutually considered by Sugar City and Rexburg in order to allow for the safe and efficient flow of traffic.

Proposal Justification

PROPERTY OWNER CONSENT AND ANNEXATION AGREEMENT

Sandra Ball, Ken Brown, Wanda Harris and Garry Jeppesen voluntarily applied to Sugar City for annexation. Property owners have signed and recorded in the county recorder's office valid consents to be annexed into Sugar City. The City has prepared an annexation agreement with input from the property owners. Sugar City Planning and Zoning Commission approved the agreement on December 13, 2005 and the property owners are willing to accept the terms and conditions set forth in that agreement.

WASTEWATER TREATMENT PLANT

The Rexburg Wastewater Treatment Plant provides service to Rexburg, Sugar City and Teton. DEQ and EPA have given Rexburg officials permission to have a wastewater treatment plant in their community and openly solicited and encouraged Sugar City and Teton to commit to joining with Rexburg's treatment facility for the benefit of the environment in the greater area. Federal funds and other grant monies have helped to build and improve the plant over the past twenty years and the fact that the plant serves multiple communities has certainly been a benefit to Rexburg in obtaining financial assistance and approvals from funding and regulatory agencies.

Sugar City and Teton have contributed to the improvement of the plant through the purchase of sewer capacity. The treatment plant, from the beginning, has been a cooperative endeavor of the greater community including Rexburg, Sugar City, and Teton. Therefore it would be totally inappropriate and a breach of the good faith already mutually extended and accepted for any of the three communities to attempt to use their ownership and control of any wastewater facilities to gain political advantage over the others.

Sugar City will not likely be issued the permits and grants needed to put in its own wastewater treatment facility at this time due to environmental concerns of DEQ and EPA. The Rexburg plant is designated as Sugar City's facility until a future time, perhaps for the next twenty to thirty years. With these conditions in mind, it is vital that Rexburg and Sugar City agree to negotiate capacity and sewer infrastructure that will best serve the citizens of Rexburg, Sugar City and Teton.

SUGAR-SALEM SCHOOL DISTRICT

The entire area at the North Rexburg interchange is part of the Sugar-Salem School District. Geopolitical boundaries should be kept together when at all possible. Sugar-Salem patrons want the Brown and Harris property annexed into Sugar City. They have petitioned both cities with their concerns.

GOOD NEIGHBORS

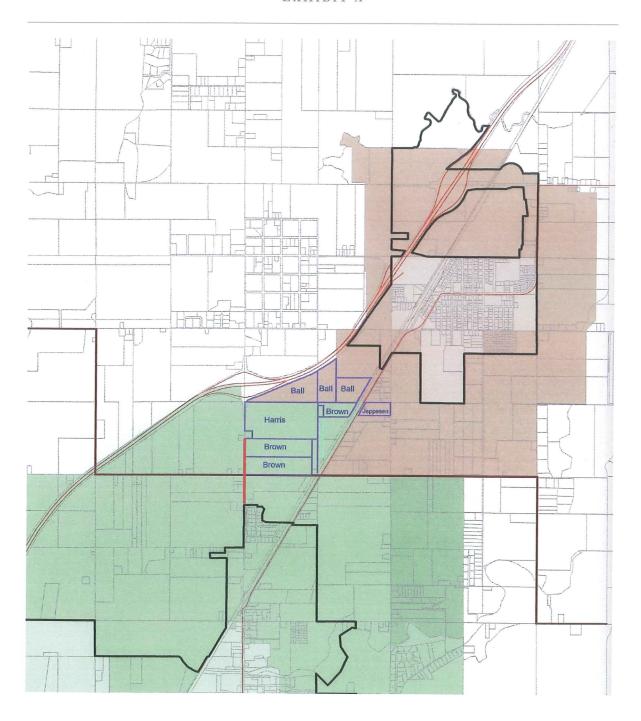
Other property owners in the Rexburg Impact Area south of the Moody Highway have expressed an interest in being annexed into Sugar City. The city is not soliciting and did not approach these property owners. Sugar City and Rexburg have been good neighbors in the past and we hope to remain good neighbors in the future.

SUGAR CITY COMPREHENSIVE PLAN

Annexation of the Ball, Brown, Harris, Jeppesen property is in line with the Sugar City Comprehensive Plan:

Sugar City's long-held value of retaining local control for all of its significant policy issues is essential. Active community participation and leadership are fundamental for protecting and enhancing the values and characteristics that have shaped the quality of life and livability of Sugar City.

- 1. Sugar City is principally a residential community of single-family homes.
- 2. Sugar City residents and business owners need and expect safe, efficient, quality city services.
- 3. The community is committed to excellence in education.
- 4. The quality of life in Sugar City depends on safety, physical and environmental attributes, and cultural and recreational opportunities. Moral and ethical standards are important to the community. "Adult" or "obscene" forms of entertainment or retail services and other nuisances will be restricted to the extent allowed by law. Citizens maintain a wholesome environment conducive to family life and neighborhood tranquility. Sugar City is "a great place to live and raise a family."
- 5. In considering community decisions, protecting water, air, soil, trees, open spaces, and environmentally sensitive lands will be given high priority.
- 6. Planning for economic growth within the realm of community values will help create more jobs and balance the city's need for increased revenue to maintain and expand city services.



Property to be annexed into Sugar City Sugar-Salem School District south boundary Sewer line connection